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Editorial

Macapagal-Arroyo's puppetry intensifies

The Macapagal-Arroyo regime has already begun stepping up the next measures to expand and raise the level of military intervention by the US and tighten the latter's control over the country's economy and politics. The US-Macapagal-Arroyo regime is now scrambling to immediately implement changes in Philippine laws and policies to further serve imperialist interests in the country.

The US pushed for the approval of the Mutual Logistics Support Agreement (MLSA) even before the termination of Balikatan 02-1 to ensure the permanent presence of American troops in the country.

US State Secretary Colin Powell is set to make a stopover in the Philippines on August 2 to ratify the MLSA and draft new plans for the deployment of American troops in the Philippines and the extension of military support to the Macapagal-Arroyo regime. To make sure the agreement is signed, Macapagal-Arroyo booted out Vice President Teofisto Guingona as secretary of the Department of Foreign Affairs. Guingona had openly opposed the MLSA as well as other policies and agreements that legalized US military intervention and blind compliance with the "anti-terrorist war" whose targets included even the revolutionary forces.

Under the MLSA, American troops will have greater liberty to enter and leave any part of the Philippines anytime they want. It will allow the US to set up facilities to store supplies, equipment and arms, including nuclear weapons. Thus, the US can more effectively use the Philippines as a staging point for military actions in the Asia-Pacific and other areas of the globe.



There are also harried efforts to implement the following points of unity in order to step up US operations and military intervention in the Philippines:

- launching joint "counter-terrorism" operations in northern, central and southern Luzon that will last nine months (from October to June 2003);
- training in Zamboanga City of up to four Light Reaction Companies from the US Pacific Command;
- continued presence of 160 American troops in Basilan beyond July 31;
- integration of US soldiers in combat operations on the company level or below;
- continuation of "civic action" ostensibly to ensure the effectivity of military cooperation between the US and the Philippines.

These points were agreed upon by Macapagal-Arroyo and US President George W. Bush themselves as far back as November 2001. Modifications and details were hammered out during the Mutual Defense Board meeting in June.

Even as US armed intervention is being stepped up in the Philippines, the US is also thoroughly pushing the complete opening of the country's economy in the form of amendments to the reactionary constitution and the eradication of provisions on the protection of the national patrimony.

In a statement on July 15, US ambassador to the Philippines Frank Ricciardone outrightly said that it was the US' desire to dismantle whatever remaining legal protection there was for local businesses such as the 40% cap on foreign capitalization and the prohibition of foreigners from owning land.

In response, Macapagal-Arroyo shamelessly supported Ricciardone and pushed for the implementation of laws and policies to conform to his demands.

BEHIND MACAPAGAL-ARROYO'S BRAZEN PUPPETRY TO US IMPERIALISM is her desire to secure US support for the 2004 elections.

Such unparalleled puppetry is also behind Macapagal-Arroyo's rapid isolation from the people and threats to her power. This early, Macapagal-Arroyo suffers continuous blows from the people's resistance to every scheme that further oppresses the Philippine economy, tramples on the country's sovereignty and impoverishes the Filipino people. **AB**



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"Anti-terrorism" treaty in Asia will trample on sovereignty



Members of the Association of Southeast Asian Nations (ASEAN) led by Indonesia and Vietnam are worried that the US will use a US-ASEAN "anti-terrorism" treaty as a license to intervene in the internal affairs and trample on the sovereignty of countries in the region. Thus, ASEAN members included in the treaty a provision calling for respect for the principles of equality, territorial integrity and non-interference in the domestic affairs of other countries. The US, through State Secretary Colin Powell, pushed for the removal of the provision. Under pressure, the ASEAN members agreed to tone down the provision, replacing the word "respect" with "recognize". The agreement was signed during a meeting of the ASEAN Regional Forum in Brunei on August 1 that was likewise attended by Powell.

Number of American troops in the country growing

One-hundred and sixty (160) US Special Forces participating in Balikatan 02-1 will remain in the Philippines until October. They will be left behind in Basilan and Sulu to continue launching joint military operations in the name of "long-term security assistance". This contradicts an earlier statement by US military officials that only naval engineers (Seabees) will stay behind in the country to finish the "construction projects" that they had initiated. In truth, only the 355 Seabees that arrived in May left Basilan on July 31. "Long-term security assistance" was one of the points of agreement during the meeting of the Mutual Defense Board in June. In this regard, some 900 other American soldiers will be posted in Zamboanga and Cebu.

Aside from these troops, up to 1,700 active American troops roam the former US military bases at Clark and Subic in Central Luzon. Meanwhile, on July 17-28, 1,400 American soldiers participated in CARAT 2002, a naval training exercise held in Subic and Cavite.

Peace caravan arrives in Zamboanga City

Some 1,200 delegates to the Lakbay Kalinaw People's Caravan arrived in Zamboanga City on July 31. The people's caravan led by BAYAN and OUT-Now, was timed to coincide with the

scheduled closing of Balikatan 02-1. It also served as the peak of a week-long activity conducted by Bayan Muna, the International Solidarity Mission and other patriotic organizations in Basilan and Sulu. The demonstrators aimed to bring their protest in front of the Southern Command headquarters where the American soldiers were based but this was strictly forbidden by the AFP. The Southcom and other reactionary forces concocted various dirty tactics to delay and disturb the peace caravan.

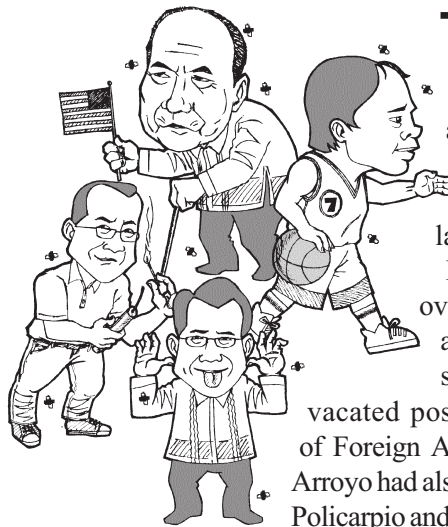
Civilian shot by American soldier in Basilan

Bayan Muna representatives are calling for an investigation of the precipitate shooting on July 24 of a civilian named Buyong-buyong Isnijal in Barangay Bato-bato, Tuburan, Basilan by an American soldier. According to witnesses, soldiers from the 18th IB assaulted the Isnijals' house along with three Americans, to arrest Isnijal who is accused of being an Abu Sayyaf member. In a sworn statement, Judaira Isnijal said her husband Buyong-buyong was suddenly shot by American soldier Reggie Lane. The following day, Lane was hurriedly sent back to the US.

The AFP and the US embassy have strongly denied Lane's involvement in the incident and have made it appear that it was mere "propaganda" from the militant congressmen. They even got a Filipino soldier to admit to the crime. Macapagal-Arroyo immediately issued defamatory statements against those who conducted the fact-finding mission, calling them communists and "violators of human rights".

Rep. Satur Ocampo and Liza Masa of Bayan Muna together with the International Solidarity Mission (ISM) conducted a fact-finding mission on violations of human rights under Balikatan 02-1. The ISM is composed of peace and human rights advocates, legislators, academics, artists and representatives of people's organizations. **AB**

Plucked from the garbage heap



The Macapagal-Arroyo regime's brazen overtures towards remnants of past regimes, especially the repudiated Marcos and Estrada regimes, once more prove that reactionary politics and the parties that advocate the latter are rotten to the core.

Recently, Sen. Blas Ople formally crossed over to Macapagal-Arroyo's party. After a long time of playing hard to get, he seized Vice President Teofisto Guingona's vacated position as secretary of the Department of Foreign Affairs (DFA). Prior to this, Macapagal-Arroyo had also wooed and promised positions to Jaime Policarpio and brothers Ronaldo and Ricardo Puno—all of them Estrada minions who also served the Marcos dictatorship.

Ronaldo Puno was former Department of Interior and Local Government (DILG) secretary under the Estrada government. He was Marcos, Ramos and Estrada's main election strategist, psywar expert and operator when it came to fraud. He has been implicated in anomalies involving billions of pesos related to drug-testing and the purchase of handcuffs, guns and radios for the PNP. Ricardo Puno, Ronaldo's elder brother, was Estrada's spokesperson. Policarpio, an Estrada strategist and one of his closest friends, was appointed presidential legislative liaison officer under the previous regime. He is involved in the corruption case against Estrada.

Former basketball player and known Estrada partisan Robert Jaworski likewise moved over to the administration side in the third week of July. With his transfer, the Macapagal-Arroyo camp once more took hold of the majority in the Senate.

The regime's coddling of these personalities and the latter's constant swinging towards whatever faction is in power highlight the decadent politics of the reactionary system. Macapagal-Arroyo has a special interest in these personalities, especially Ronaldo Puno, because of the dirty tricks he can be expected to concoct in the 2004 presidential elections.

Macapagal-Arroyo has become further isolated politically because of her adulterous political relations with regards to personalities of the Marcos and Estrada regimes. The Council for Philippine Affairs (COPA) has turned its back on her.

Desperately trying to parry criticisms against her, Macapagal-Arroyo has been cackling up a storm and calling her critics names. She called COPA a "termite" because the latter was supposedly undermining her government's unity and stability. She also made insinuations against progressive forces like BAYAN and Bayan Muna, saying that only the "communists" were dissatisfied with her administration.

But it is Macapagal-Arroyo who has exposed herself and the overall decadence of reactionary politics in the country. Pressed for an explanation on why she took in a reactionary oppositionist like Ople as DFA secretary, she said that "division into political parties in the country has never been based on principle". **AB**

Vigilantism in Davao to be practiced on a nationwide scale

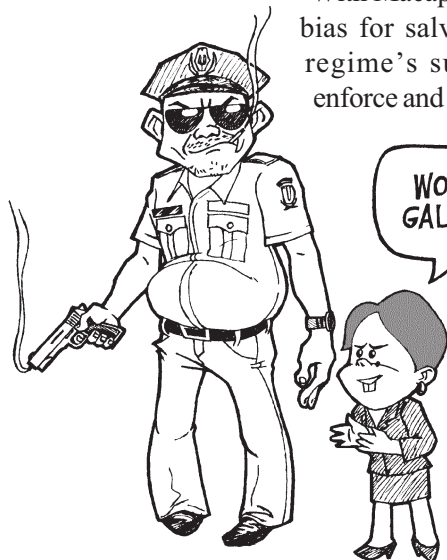
"**W**ow, *galing!*" gushed Gloria Macapagal-Arroyo after toughie and current Davao City mayor Rodrigo Duterte bragged about the summary execution of suspected criminals and how this was supposed to be the right way to attain peace and order.

Macapagal-Arroyo appointed Duterte on July 9 as an adviser on the anti-crime campaign. This signifies Macapagal-Arroyo's support for Duterte's way of having suspected criminals in Davao City summarily executed by illegal death squads. Macapagal-Arroyo shamelessly advocates Duterte's bloody record of riding roughshod on due process and trampling on human rights.

Macapagal-Arroyo wishes to project herself as a tough and firm leader in the campaign to defeat criminality in the country. But whatever posturing she does, she cannot cover up the fact that the brains behind the biggest crime syndicates are highly placed officials in the military, police and civil bureaucracy.

There is really nothing new about such posturing. Violations of human rights have worsened under the current regime, including the growth in the number of "salvaging" victims. The summary executions target, in the main, leaders and members of Bayan Muna, activists and ordinary citizens suspected of supporting the revolutionary movement. The rights of Red fighters who have been captured or rendered *hors de combat* are outrightly trampled upon.

With Macapagal-Arroyo's brazen bias for salvaging, and with her regime's supposed priority to enforce and prove her new "strong republic" slogan, the number of "salvaging" cases and other brazen violations of human rights are sure to rise along with the intensification of militarization nationwide. **AB**



Country's health system in the throes of death



The majority of the Filipino people do not enjoy proper health services because of commercialization and bureaucratic anomalies.

Many Filipinos die from complications arising from the most common and curable diseases like influenza, measles, hypertension and pulmonary ailments. Many of those who fall ill are unable to avail of hospitalization and do not receive any medical attention.

The most crushing problems besetting the health system are due to the reactionary regime's implementation of the antipeople policies contained in the Health Sector Reform Agenda (HSR) and Executive Order 102 (EO 102), which were initiated by the Estrada regime. Within this framework, the DOH has been continuously divesting itself of the capacity to deliver health services and passing this on to the private sector and local governments.

MINUSCULE ALLOCATION FOR HEALTH. The budget for health services has been steadily reduced these past few years: only 2.58% (P11.3 billion) of the national budget was earmarked for health in 1999, 2.26% (P10.2 billion) in 2000 and 2.08% (P13.64 billion) in 2001.

The seeming growth in the amount allotted for health (P14.52 billion) is due merely to the increase in the overall government budget for this year. In reality, its share of the total has decreased (1.8%). The Macapagal-Arroyo regime still allocates the biggest chunks of the national budget to debt servicing (P359.8 billion) and the military (P60.24 billion).

DEVOLUTION. Along with the implementation of the Local Government Code back in 1991, the DOH began the process of devolution or passing on the responsibility for health services to the local govern-

ments. Devolution's alleged objective is to bring health services closer to the people. As of last October, only 72 out of 616 public hospitals remained under the DOH. Due to lack of funds, hospitals administered by local governments could no longer be maintained and suffered a breakdown in services. Meanwhile, only one-fourth of all barangays in the Philippines still have health centers. They are often closed and lack equipment, medicines and staff. Alongside the devolution of health services came the devolution and expansion of anomalies in the local bureaucracy.

CORPORATIZATION. The Macapagal-Arroyo regime continues to push public hospitals to increase their incomes with the goal of making all of them "quality" hospitals earning corporate-level incomes by 2010 to 2015. It wants to transform about 20 major public hospitals in the country into corporations before the end of this year (*see table*). With this comes the commercialization of public hospitals and their journey towards privatization.

DETERIORATING CONDITIONS OF HEALTH WORKERS. The conditions

of about 74,000 public health workers remain miserable under the current regime. They receive very low monthly salaries. Utility workers receive P4,975.70; nurses, P6,664.11; and medical officers, P11,664 compared to the National Economic and Development Authority's (NEDA) estimate of P15,042 as the minimum monthly wage needed by a family of six. Due to budget cuts and streamlining within the sector, they are often made to work for more than eight hours or compelled to perform tasks beyond their designated job descriptions without pay due to lack of personnel.

Health workers suffer from a lack of equipment to protect them from the hazards of working in hospitals; from damaged and deteriorating facilities; and severe lack of medicines. Continuous streamlining, mergers and closures of public hospitals, health offices and services all pose a big threat to their job security. The right of health workers to freedom of expression and self-organization is likewise suppressed.

As a result, many of them are forced to go abroad. In fact, there are up to 150,000 Filipino nurses working

Some hospitals set to be corporatized (2002):

East Avenue Medican Center
Quirino Memorial Medical Center
Rizal Medical Center
National Children's Hospital
Philippine Orthopedic Center
Jose R. Reyes Memorial Medical Center
Jose Fabella Memorial Hospital
Mariano Marcos Memorial Medical Center
Western Visayas Medical Center
Cotabato City Medical Center
Zamboanga City Medical Center

overseas. With the promise of higher incomes and better working conditions, there has been an unstoppable exodus of professionals and other health workers from the country.

AS EARLY AS 1993, THE WORLD BANK (WB) ordered the governments of semicolonies to reduce public spending for health services and encourage the privatization of medical services and health insurance. This has made health a commodity; and made health care an arena for self-enrichment. (*See related article in AB's September 2000 issue*). **AB**

Philhealth, instrument for amassing profits

WHILE THE REGIME HAS STEADILY BEEN REDUCING THE health budget, it boasts that through the National Health Insurance Program (NHIP, or formerly Medicare) or Philhealth, health services for the people are guaranteed. Philhealth supposedly defrays the basic costs of medical services of more and more Filipinos.

In reality, Philhealth's only aim is to amass profits from the tiny incomes of ordinary workers and employees. Government employees, who are automatically covered, are obliged to pay premiums through direct salary deductions. Philhealth also encourages workers in private companies to set aside a portion of their monthly wage (like the SSS). But for every one peso "contribution", only P0.22 goes to the health expenses of members and beneficiaries. The rest goes straight to the profit box.

Philhealth connives with health maintenance organizations (HMO). Most of the latter are foreign private companies like Phil. American Gen. Insurance Co. (American) and Sun Life Assurance Company of Canada, that solicit premiums for continued medical services within a specific period. Members are not able to recoup the premiums if they are not able to avail of the services. In many cases, HMOs contradict doctors' medical advice and scrimp on the services extended to patients just to save on costs and ensure big profits for the company.

One of the provisions of the HSRA calls for the expansion of Philhealth's coverage because this is supportive of the government's complete abandonment of its responsibility to extend health services to the people. It is a response to the IMF-WB policy of reducing government expenditures for social services. **AB**

Continuing struggle at Tala Leprosarium

The Dr. Jose Rodriguez Memorial Medical Hospital and Sanitarium (more commonly known as the Tala Leprosarium) comprises 130 hectares within the Tala Estate. The entire 7,000-hectare Tala Estate comprises three barangays in Caloocan City.

Tala Leprosarium is one of eight hospitals nationwide for patients afflicted with leprosy. In the hospital's immediate environs live some 3,000 lepers and their families. There are 30 doctors and 74 nurses serving them. There are also 230 other employees and 220 patient assistants (patients and their relatives that serve the hospital as support staff).

There are plans to transform the leprosarium itself, which has a 2,000-bed capacity, to a general hospital with a 200-bed capacity. The government is deadset on reneging on its duty to give needed services to the patients and their families. Due to the project, the hospital's doctors, nurses, employees and patient assistants are set to lose their jobs. Construction for the general hospital has begun and is ongoing.

Massive dislocation threatens the community with the planned conversion of 70 hectares of the latter into a housing project of the National Housing Authority. The land has been declared a reservation for distribution to the

patients and their families by virtue of Proclamation No. 843 of 1971. But the latter has been superseded by a new law that favors the privatization and conversion of the land to commercial use. The people of Tala are opposed to this because community residents, most of whom have lived there for 20 to 30 years, will be evicted. On May 15, the houses of 82 families were demolished in one sitio.

The local government in Caloocan has also pinpointed Tala as a growth area. It is supposedly the most favorable area in Metro Manila to build business. It is allegedly necessary to develop the area to encourage foreign businesses. There are also plans to transfer the Caloocan city hall here.

In the first week of July, the patients, their families, affected residents of the community and their supporters picketed in front of the leprosarium for five days. They resisted the privatization and commercialization of the hospital, the conversion of the land and other related issues. Since 1999, the lepers, their families and other affected entities have been conducting yearly camp-outs to advance their welfare. In February 2000, they succeeded in having their daily food budget raised from P35 to P50.



edly no longer alarming. The Estrada government said that from 38,570 registered patients in 1986, the number had gone down to 8,746 in 1997, with 88,117 patients cured in 13 years since 1986.

To conform to EO 336, the number of leper cases was systematically reduced. Some patients were bribed P10,000 in exchange for a declaration that they were no longer patients. Some were threatened that they would be discharged from the hospital without being paid if they refused to declare that they were cured. Others are being sent home and declared as having been discharged from the hospital. Still others are sent to the leprosarium in Bicol. Of almost 3,000 Tala patients, only 900 are actually registered as patients.

Despite EO 336, the government continues to receive international aid for the treatment of leprosy patients. In 2000, for instance, the government received \$150,000 from the American Leprosy Missions, and \$410,200 in 2001. The list of registered patients is merely being used to extract aid from other countries.

The Macapagal-Arroyo regime is doing nothing to resolve the problem at Tala and has in fact endorsed the project. The regime is merely perpetuating the oppression of lepers and the people of Tala.

See "Continuing struggle...", page 7

Leprosy. Leprosy or Hansen's Disease is a contagious ailment caused by the microbe *Mycobacterium leprae*. It attacks the skin, nerves, lungs, eyes, fingers and other parts of the body. In 1997, there were 1.2 million lepers on record worldwide. The biggest number is concentrated in Southeast Asia. There are two kinds of lepers—those with severe infections (multibacillary patients) and mild infections (paucibacillary patients).

It was only in the latter part of the 1940s when the cure for this disease was discovered. It can now be cured in 12 months. Patients who have been taking medication for more than a week are no longer infectious.

"Leprosy has been eradicated in the Philippines!"

The International Monetary Fund and World Bank had dictated that the government should reduce funding for social services to be able to avail of continued credit. In response, the Estrada government issued Executive Order 336 that maliciously declared that leprosy has been eradicated in the Philippines. The leprosy incidence of 63 per million Filipinos was suppos-

Aggrieving the masses in Isabela

MORE than 430,000 people in Isabela will be further deprived of primary health services with the impending closure of 10 small public hospitals in the province. Through Memorandum No. 6, Series 2002, the provincial government has ordered the “merger” of the 10 hospitals with district hospitals supposedly due to lack of funds. This is a preliminary step towards the eventual privatization of the hospitals.

The hospitals service more than 260 remote barangays (*see table*). Their closure will mean that residents, mostly farmers, will have to travel farther should they need medical attention. In the case of Dinapigue, the next nearest hospital is in the town of Palanan, an hour and a half by sea.

The provincial government of Isabela claims that the measure is necessary for the modernization of health services in the province. The need for specialization and modern equipment can supposedly be addressed only if the scarce funds are poured in for the purpose.

The provincial chapter of the Alliance of Health Workers (AHW) has criticized such a rationale because it deviates from the current needs of the majority of Isabela residents. The AHW said that what the vast majority of the people needed was primary health care.

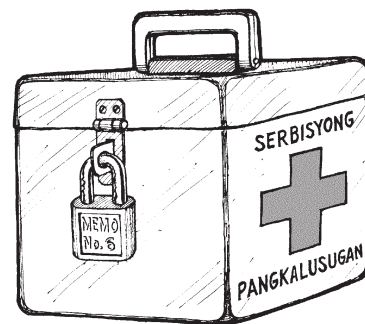
The social services reaching farm-

ers in the province, limited and backward as they are, will now be completely cut off, according to the Dangayagan dagiti Mannalon ti Isabela (DAGAMI), a provincial peasant organization.

Aside from the patent neglect of the farmers’ health, the closure of the 10 hospitals will also result in the termination of the hospitals’ workers.

The lack of funds being used as a rationale by the province of Isabela for the closure and planned privatization of the 10 hospitals is due to the reactionary government’s abandonment of its responsibility to provide health care to the people.

The national government implemented the devolution of the delivery of health service supposedly to bring it closer to the people. Such responsibil-



ity was passed on to local governments. But just as what the provincial government of Isabela is now doing, devolution has only rendered health care even more inaccessible to the majority of the people.

DAGAMI and AHW jointly oppose the closure of the 10 hospitals. In April, more than 250 people, including doctors and other health workers marched towards the provincial capitol of Isabela. In response, provincial governor Faustino Dy Jr. suspended 13 doctors who joined the march. Those who opposed the move were threatened, pressured and branded as communists. **AB**

HOSPITALS ORDERED CLOSED BY THE ISABELA PROVINCIAL GOVERNMENT

Hospital	Town	Number of brgys. serviced
E. Marasigan Municipal Hospital	Sta. Maria	20
San Antonio Municipal Hospital	Ilagan	20
San Mariano Medicare & Community Hospital	San Mariano	36+
Jones Medicare & Community Hospital	Jones	42
San Guillermo Emergency Hospital	San Guillermo	26
Quezon Emergency Hospital	Quezon	15
Quirino Medicare & Community Hospital	Quirino	15
Dinapigue Emergency Hospital	Dinapigue	18
Faustino Dy Memorial Hospital	Cauayan	25+
Tumauini District Hospital	Tumauini	46
Total		263+

“Continuing struggle...”, from page 6

Issues within the leprosarium

While the main problem of Tala patients remains the closure of the leprosarium, they likewise face the problem of being neglected and oppressed within the leprosarium. They do not have enough medicines, food and other basic necessities. One particular issue involves the patients and their families’ continued resistance to receiving rations of rotten meat and fish. Patient assistants who have served the hospital for 20 to 30 years are also exploited, receiving a mere P15 as their daily wage.

The struggle continues

The patients and their families do not ask for pity. They have come to realize the truth that only through their collective action can they resist their oppression. They must maximize all forms of collective action, expand and consolidate their ranks while raising their level of resistance and militancy along with other sectors of society. Thus, Tala will be known not as a community of people afflicted with a contagious disease, but a community with a brilliant history of a people in struggle. **AB**

Failed solution to the people's severe health problems

To fulfill Gloria Macapagal-Arroyo's promise in her first State of the Nation Address to allegedly reduce the prices of medicines by 50%, the Department of Health (DoH) launched GMA 50. The program's avowed aim was to ensure the constant availability of affordable, high-quality, safe and effective medicines especially for the majority who are impoverished.

But like her other promises in her first SONA, Macapagal-Arroyo failed to reduce the prices of medicines.

HYPOCRITICAL SOLUTION. The only measure taken by GMA 50 in its supposed bid to solve the problem of expensive medicines in the country is to import cheap medicines. Under this program, the Department of Trade and Industry (DTI) imports cheap medicines which are in turn sold in public hospitals and small drug stores set up by the government, the Botika ng Masa.

In March, the DTI imported up to P21.5 million worth of cheap medicines from India. Nonetheless, this accounted for less than one percent (only 0.16%) of the overall value of medicines purchased in the country in

1999. This amount is too small for the people to derive any significant benefit from the program.

Above all, Macapagal-Arroyo's hypocritical importation of medicines did not result in any fundamental change. Instead, it ran roughshod over the need to set up a national drug industry. It merely buttressed the country's dependence on imported products, to the detriment of local companies and the people as a whole.

WHY PRICES ARE HIGH. The Philippines ranks second in all of Asia when it comes to prices of medicines. According to no less than the Bureau of Food and Drugs, drug prices in the Philippines are currently 250-1,600% higher than in other member countries of the ASEAN. According to the Health Alliance for Democracy, drug prices in the country are 18 times higher than in India, Canada and other countries where the people receive higher wages compared to Filipinos.

Medicines are exorbitantly priced in the Philippines. For instance, anti-tuberculosis drugs like INH (300 mg.), Rifampicin (400 mg.) and Pyrazinamide (500 mg.) are sold for P1,066.60 even if the cost of manufacturing these medicines runs to a mere P321.30.

The Philippines does not have its own drug industry. What passes for a local drug industry is in fact involved only in repacking manufactured drugs from transnational companies. Processing involves a very tiny portion, if any, and is dependent on the importation of raw materials from transnational companies.

According to the Association of Drug Industries in the Philippines, 72% of the local drug market is controlled and monopolized by foreign companies like Zuellig Pharma, Bristol Myers Squibb and Johnson & Johnson. Eleven out of the 12 biggest drug companies in the country are foreign-owned. In 2000, they amassed combined profits of up to P4.2 billion in the Philippines.

Through the connivance of foreign monopolies and local businessmen, the following schemes are perpetrated, raising the prices of medicines in the country:

Through *transfer pricing*, local subsidiaries purchase raw materials from their mother transnational companies at the prices prevailing in the international market. This is done even if such raw materials cost less if bought within the country or from other companies.

P 9.34

sa Pilipinas

P1.33

sa Thailand



Price comparison of selected drugs between the Philippines and selected Southeast Asian countries

	Philippines	Thailand	Malaysia
Flagyl (antibiotic)	16.04	5.37	16.21
Bactrim (antibiotic)	14.41	3.76	8.37
Septrim (antibiotic)	15.46	-	2.80
Betaloc (antihypertensive)	15.17	9.66	8.26
Daonil (anti-diabetes dru)	10.60	3.76	4.08
Dichlotride (antihypertensive)	16.13	2.15	5.99
Ponstan (analgesic)	9.34	1.33	-

Data from DOH

See "Failed solution...", page 9

Agrarian revolution campaign in Ilocos and Cordillera, victorious

"Victory is sweeter when it is born out of our action and struggle. If we are tempered in the furnace of facing and solving problems head on, our unity and capacity to fight become as hard as steel."

More than 65,000 peasants from the Ilocos-Cordillera region directly benefited from agrarian revolution this year. According to *Dangadang*, the revolutionary newspaper in Ilocos and the Cordilleras, benefits such as wage increases, enhanced production and expansion of farm land and work opportunities are concrete gains now enjoyed by the farmer-beneficiaries. Simultaneously, they also gained in terms of more experience in collective action and struggle, the development of their minds and knowledge and heightened fighting spirit.

Revolutionary peasant organizations in a number of barrios in Ilocos Sur succeeded in April to have



See "Agrarian revolution...", page 10

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Foreign pharmaceutical cartels can likewise agree on the prices of their common products through the practice of *fixed pricing*.

Royalties, on the other hand, are paid by whoever wishes to produce a particular drug, to the companies that own the patents or the exclusive right to manufacture such medicines for a term of 17 to 20 years. This system decisively establishes a monopoly in the manufacture and pricing of medicines. Transnational companies scramble to monopolize the biggest number of, if not all, drug patents, especially of the most essential medicines. Royalties add such a tremendous amount to the prices of drugs in the Philippines due to the government's zeal to protect the interests of the transnationals that monopolize patents

to medicines. In India, however, quality medicines can be manufactured at very low cost because producers circumvent patents by employing modified processing methods. This they do with the government's blessings. Thus, medicines imported by the Philippines from India cost 90% less compared to the prices of the same drugs in the Philippines. Foreign monopolies also block drugstores from selling medicines that will compete with their products, especially if these are cheaper. Should the drugstores sell the cheaper drugs, they are threatened with being cut off from receiving supplies of products made by foreign monopolies.

Transnational companies likewise pass on to the people the high cost of advertising on radio, television and print.

High taxes imposed by the government also contribute to the exorbitant

prices of medicines—import taxes, for example, range from 10-30%.

DUE TO THE SEVERITY OF THE PEOPLE'S health problems, programs like GMA 50 that rely merely on drug importation are not enough. The problem of the high cost of medicines is rooted in the monopoly of transnational pharmaceutical companies and the absence of a national drug industry in the country. As long as basic industries like the chemical industry, which is important to drug manufacturing, have not been established in the country, the people can never be free from the shackles of transnational companies. Only through the establishment of these national industries can the Filipino people be expected to have access to the services and benefits that will promote their welfare. **AB**

loans incurred the past three years rescheduled, have the compounded interest on them abolished and the monthly interest rates on current loans reduced from 10% (or 120% annually) to 5%.

Various forms of action were launched including convening barangay assemblies to persuade *koboy*s (tobacco merchants) to reduce interest. Capital for credit was provided by the trading centers, but it was the *koboy*s that lent it to the farmers in the form of cash or inputs. The trading centers are companies owned by bureaucrat capitalists who buy tobacco for imperialist companies that manufacture cigarettes.

In three contiguous barrios in a guerrilla zone in Ilocos Sur, the farm workers' daily wage was raised by P20 to P30. Under the leadership of the peasants' organizing group (OG), the middle peasants were persuaded to support the struggle and convince the rich peasants to raise wages. Due to this victory, other nearby barrios were able to launch campaigns to raise farm workers' wages.

Interest on every 10 *bettek* (bundle of unhusked rice) borrowed was

reduced from four to two *bettek* in a guerrilla zone in Abra.

A breakthrough was achieved in some barrios in Abra and Kalinga in the collective construction of *payaw* or rice terraces. The projects were led by the OGs in the area. The mountains on which the *payaw* were constructed were allocated to poor and lower-middle peasants. Prior to this, the



construction of *payaw* had stopped for a long time due to the absence of collective action.

A breakthrough was also achieved in making a communal *uma* (Iloko term for swidden farm). The venture led by the peasant women's OG is meant to augment food production for the women's families and the NPA. The women also initiated the gathering, accumulation and propagation of seeds for planting. From the women's example, the construction of communal *uma* and fishponds also gained momentum in nearby barrios.

In Kalinga, the revolutionary peasant organizations revived the use of sunflowers and other organic soil fertilizers instead of buying commercial fertilizers. Their palay production grew.

Cooperatives that had been dormant for some time after mass organizations were destroyed in the 1990s due to disorientation have likewise been reactivated. For instance, farming implements are now made by blacksmith shops run by cooperatives in some barrios in Abra and Kalinga.

Alluyon, ubbo, innabuyog and other forms of agricultural cooperation are once more being practiced enthusiastically in various guerrilla zones in the Cordilleras. **AB**

Tobacco prices raised

THE MINIMUM PRICE PER KILO OF VIRGINIA TOBACCO in the Ilocos Region and Abra was raised from P43-45 to P53-55. This resulted from the successful campaign waged by farmers from the three Ilocos provinces and Abra from January to March 2002. The campaign was led by Stop Tobacco Planters' Exploitation (STOP-Ex), an organization of tobacco farmers from Ilocos and Abra. STOP-Ex's provincial chapters launched coordinated

actions that peaked on March 8 with the visits of leaders and representatives of STOP-Ex to various trading centers (TC) owned by comprador capitalists and a requested dialogue with the TC administrators. As a result, the TCs agreed to raise tobacco prices by P10 and reschedule loans that have remained unpaid for years due to calamities. In some cases, the TCs also agreed to reduce interest on loans by half. **AB**

Corporate fraud and the Bush connection

The series of big corporate scandals since last year has been a big blow to US imperialism. The US is estimated to lose \$37 billion-\$42 billion this year as a result.

WorldCom has recently filed for bankruptcy, the biggest in US history, further exposing the artificial growth of the US economy anchored on overvalued shares in the stock market and the greed and decadence characteristic of capitalism in general.

Aside from this, the cases highlighted the longstanding corrupt, parasitic and conspiratorial nature of monopoly capitalist practices and the involvement in, and blind tolerance of, the anomalies by highly placed officials in the US government.

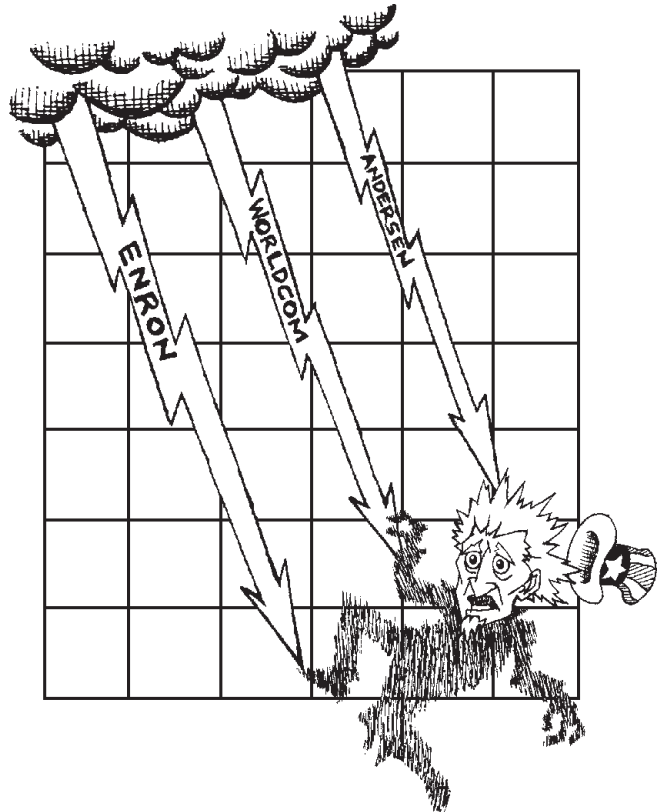
Among the most prominent is a case involving insider trading by Bush in 1990, where he hurriedly sold his stocks in Harken Energy Corp. worth \$339,424 eight days before the company declared that it had incurred \$23 million in losses.

US law prohibits insider trading or trading stocks for personal profit on the basis of material information that is not publicly known.

Vice President Richard Cheney likewise faces a serious case involving Halliburton, an oil company he headed from 1995 to 2000. He was mainly responsible for overstating Halliburton's profits by more than \$400 million in order to artificially raise the value of the company's stocks.

To alleviate unrest in the system caused by the scandals, parry criticisms on his administration and cover up his own wrongdoing, Bush was pushed to hypocritically adopt a tough stance against corporate malpractices. All he could do, however, was sanctimoniously chastise the "few bad ones" and extend the sentence of convicted wrongdoers to 10 years.

As the investigation proceeded and cases were filed against some of those involved in the anomalies, others close to Bush continued to enjoy protection. Among them is Thomas White, who is involved in the Enron case but is being retained in the Bush cabinet as Secretary of the Department of the Army. As a former Enron executive, White doctored the books in the department he headed to make it appear that



it earned \$500 million. He sold his stocks worth \$12 million before the truth came to light and the company collapsed.

Due to the corporate bankruptcies and the resulting scandals, stock prices have been plummeting for months in almost all companies in the US stock market, with many investors shying away from betting on them.

Many companies are concerned about more anomalies coming out in the open, especially since Arthur Andersen (the accounting firm involved in the biggest anomalies) has been compelled to submit for investigation the books of more than 1,000 companies it has been auditing. Several corporations have also been scrambling to fix their financial records and issue new income statements covering the past five years.

Simultaneously, there are growing calls from the American people to punish guilty officials and compensate the victims. **AB**

PNP station in Catanduanes raided

NPA Red fighters successfully raided the municipal police station in Bagamanok, Catanduanes on July 12. Seized in the breakthrough tactical offensive were two M16s, two M14s, a shotgun, a .45, a .38 and a 9 mm. Two policemen died in the firefight.



74th IB troops ambushed in Marinduque

The NPA ambushed 74th IB troops in Barangay Dolores, Sta. Cruz, Marinduque on July 15.

A soldier and seven CAFGU elements were wounded in the ambush.

The 74th IB has a long record of violating human rights and the rules of war in Southern Luzon.

NPA annihilates RHB team

The NPA annihilated an eight-man team of the Rebolusyonaryong Hukbong Bayan (RHB) on June 29 in a surprise attack in Barangay Taliptip, Bulacan, Bulacan. Two RHB elements were killed, including the team leader, while the others were either wounded or surrendered. Seized from the offensive were five high-powered firearms, two boats and other military equipment.

According to a statement from the NPA in Western Bulacan-Pampanga, the RHB bandits were despised by the people due to their criminal activities. They also support the fascist military in vilifying and conducting pursuit operations against the revolutionary movement.

Oust Bohol governor—NDF-Central Visayas

The National Democratic Front (NDF) in Central Visayas (CV) called for the ouster of Bohol governor Erico Aumentado.

According to NDF Visayas political consultant Vide Alguna, Aumentado is an enemy of the Boholanos. He said that Aumentado is the principal implementor of neoliberal and fascist policies in Bohol. The NDF also criticized Aumentado for his antipeople projects that will evict tens of thousands of people. The other projects he has been implementing in the province are destructive to life and property.

In addition, Aumentado has been intensifying the conduct of military campaigns. He has accelerated the entry of more fascist troops in the island and aggressive recruitment for the CAFGU, which now comprises six battalions or 2,400 men. The severe cases of human rights violations have compelled even the Sangguniang Panlalawigan and officials of the provincial CHR office to conduct an investigation.

NDF-Negros exposes RPA's crimes

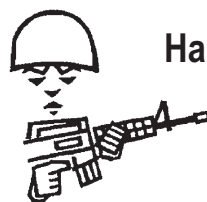
The National Democratic Front (NDF) in Negros once more called attention to the criminal activities of the "Revolutionary Proletarian Army" and the latter's collusion with corrupt politicians, the reactionary classes in Negros and even the fascist AFP.

According to NDF Negros leader Frank Fernandez, the RPA should be charged and brought to trial along with its politician cohorts for the various crimes they perpetrated in relation to the concluded elections.

Among others, they intimidated voters to ensure the victory of the United Negros Alliance and the National People's Coalition, both parties of Eduardo "Danding" Cojuangco.

Fernandez also said that the RPA has actively served big compradors and landlords in the island since 1996. He said it was high time that RPA leader Arturo Tabara and military officials in Negros admitted that the RPA was part of the 303rd Brigade of the Philippine Army. In fact, he called the RPA safehouse raided by the NPA on July 22 a base of the "CAFGU-RPA".

The raid took place in Sitio Mag-anay, Barangay Bi-ao, Binalbagan, Negros Occidental when an NPA platoon assaulted the safehouse at around 12:15 p.m. Seized were an M14, six M16s (including a baby armalite), a Garand, a carbine, an M203, pistols, thousands of rounds of ammunition and a cellphone. Caught by surprise, the RHB was unable to put up a fight.



Harassment of mass leaders continues in Davao

Militant groups in Davao condemned the filing of rebellion and criminal charges against leaders of KARAPATAN-Davao, BAYAN-Southern Mindanao, Farmers Association of Davao City and 20 others. They were among NPA commanders and fighters named in the suit. The case was filed by 73rd IB commander Col. Eduardo del Rosario. The charges filed against them are baseless and aim to stifle them from exposing and condemning intensifying violations of human rights.

Among such violations are the massacre perpe-

trated in Pangyan, Tamugan, Marilog District, Davao City on April 15. Six were killed and seven were wounded in the massacre, including three children.

The CHR dismissed in July the case filed against the 73rd IB, saying that the massacre was an accident. The victims were even blamed for attending the wedding of an NPA member. The three wounded children were also alleged to be Red fighters.

In a related development, progressive organizations filed a case against PNP Region XI director Chief Supt. Eduardo Matillano for his violent dispersal of a rally on July 1 in Tagum City.

Opposition to PPA continues. People in various parts of the country continue to oppose the purchased power adjustment or PPA. In Mabalacat, Pampanga, some 20,000 consumers aired their dismay over the PPA and for the successive blackouts they have been experiencing since the start of July. In Camarines Norte, the Camarines Norte Electric Cooperative unanimously approved a resolution calling for the abolition of the PPA. In Iloilo, up to 100 provincial and municipal officials signed a manifesto against the PPA and the Electric Power Industry Reform Act on July 10. They united with the People Opposed to Warrantless Electricity Rates (POWER) and BAYAN.

Expulsion of gays from Bahrain resisted. Gays belonging to the Progressive Organization of Gays in the Philippines (Progay) condemned the planned expulsion of some 2,000 Filipino gay workers from Bahrain. Instead of defending them, the Macapagal-Arroyo even sided with the plan.

A call to our readers

The *Ang Bayan* editorial staff invites readers to contribute to our publication by submitting comments and suggestions, news items or revolutionary experiences that are worth printing in our paper.

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15 Palestinian civilians killed in Israeli bombing.

Fifteen civilians, including nine children, were killed after an Israeli F16 fighter jet hit an apartment building in the center of Gaza City with a missile in the early morning of July 23. One-hundred forty-five others were wounded. The Israeli government bombed the residential area to liquidate Salah Shedadeh, leader of the militant group Hamas. Even as the indiscriminate bombing earned widespread condemnation, the US was content with stating that Israel's actions were "excessive".



Strike paralyzes London subway. A 24-hour strike paralyzed almost the entire London subway on July 17. Led by the Rail and Maritime Transport, the workers resisted the planned partial privatization of the subway system.

Prior to this, a one-day strike had also been launched on July 16 by 750,000 government employees from various towns to demand a wage hike. The mass action was the first walk-out in the country in more than two decades.

Hong Kong government employees march. Up to 35,000 Hong Kong government employees and their families staged a march on July 7. They assailed the Public Servants Pay Adjustment Bill that aims to reduce their wages by up to 4.42% this year and cut down on the budget deficit that has gone up to as much as US\$1.8 billion.

165 Afghan civilians victims of US bombing. Up to 48 Afghan civilians were killed and 117 wounded when the US bombed a wedding party in Dehrawad, Uruzgan, Afghanistan on July 1. Most of the victims were children. Scores of Afghans marched to the UN office in Kabul on July 4 to condemn the bombing. Instead of apologizing, the US had the gall to blame the civilian casualties for their error, saying that the wedding should not have been held in a combat zone.

US exemption from International Criminal Court denied. The European Union and the Non-Aligned Movement denied on July 10 the US' proposal asking that the Americans who were part of the UN Peacekeeping Force in Bosnia and Herzegovina be exempted from facing trial before the International Criminal Court (ICC). Prior to this, the US had arrogantly declared on May 6 that it will not cooperate with the ICC because of the danger that US officers and troops would be put on trial for genocide and other crimes against humanity.